



CHAPTER 1: SETTING THE CONTEXT



Harrison County has a strong agricultural heritage

History and Setting

Harrison County represents an important chapter in Indiana History. Located about 15 miles west of Louisville, Kentucky, the county was formed from portions of Clark and Knox Counties on October 11, 1808 as the fourth county of the Indiana Territory. The county was named after the first Territorial Governor of Indiana and Harrison County resident, General Williams Henry Harrison. General Harrison later became the ninth President of the United States.

In May of 1813, the capital of the Indiana Territory was moved from Vincennes to Corydon. As the territory became a state, Corydon served as the first state capital from 1816 to 1824, and the first constitution of the State of Indiana was drafted near the old Capitol Building.

Squire Boone, brother of frontiersman Daniel Boone, was one of the first known settlers of Harrison County. His presence can still be found throughout the county today, including Squire Boone Caverns. Harrison County was also home to important events during the Civil War. The Battle of Corydon, Indiana's only civil war battle site, was fought in Harrison County on July 9, 1863; 450 Harrison County Home Guard members aided in the eventual capture of General John Hunt Morgan and his confederate soldiers.

County Dynamics

The towns in Harrison County include Corydon, Crandall, Elizabeth, Laconia, Lanesville, Mauckport, Milltown, New Amsterdam, New Middletown and Palmyra. The county is divided into 12 townships: Blue River, Boone, Franklin, Harrison, Heth, Jackson, Morgan, Posey, Spencer, Taylor, Washington and Webster.



Harrison County, Indiana Comprehensive Plan Update 2008

In 1998, Caesar's Indiana, located a casino and hotel complex in Harrison County along the Ohio River. This has greatly benefited the county not only as a tourist attraction but in county funding. In 2008, the name of the casino was changed to Horseshoe Southern Indiana.

The Long Range Transportation Plan for Harrison County prepared in 2003 identified multiple transportation improvement projects within the county which are designed to improve safety, increase capacity, accommodate traffic flow, and meet the needs of planned future land uses. By enhancing safety and capacity, these projects are eligible to receive a portion of its funding from federal sources. The major transportation improvement projects identified in Harrison County include the following:

- New roadway: Crandall-Lanesville Road
- New roadway: SR 337 and Corydon-Ramsey Road
- New roadway: SR 135 and Big Indian Road
- New roadway: Quarry Road
- New interchange/ realignment: I-64 Gethsemane Road /SR 337
- Reconstruction/ widen: Corydon-Ramsey Road
- Reconstruction/ widen/ realignment/ new roadway: Heidelberg Road
- Reconstruction/ widen/ realignment: Shiloh Road / Fogel Road Local Road
- Reconstruction/ widen/ realignment: Corydon-New Middletown-Elizabeth Roads
- Reconstruction/ widen/ realignment/ new roadway: East-West Road in southern Harrison County.

Market Analysis

The following market analysis executive summary was completed by Gem Public Sector Services for this Comprehensive Plan. The full version of the market analysis is available at the Harrison County Planning Department.

Key Demographics

While there are a number of demographic measures that shed light on the make-up and growth trends in a community, there is a short list of key measures that are used as foundation blocks for a market analysis of the community. Among the key measures that will be discussed below are population and households, the most basic indicators of urban growth and demand for consumer goods and services. Next in importance are household income and consumer expenditures; basic measures of the wellbeing of a community and its ability to purchase goods and services. Other key demographics include estimates of



Harrison County, Indiana Comprehensive Plan Update 2008

workforce participation of community residents and employment in the community; these measures offer an idea of how self sufficient a community is in providing employment opportunities for its residents. All of the measures cited above are a part of prerequisite research into the market demand for real estate or land uses.

The demographic data is analyzed and near-term projections are made that offer some insight into the types of land uses and the magnitude of future demand for each type of land use. For purposes of a market study in support of a comprehensive plan, four primary land uses are defined: residential, industrial, office, and retail. The last two comprise the traditional land use category of “commercial” land use. There are numerous subsets of each land use, some details are not readily identifiable; however, the more generic needs in each land use category can be described and projected. A time horizon of approximately five years is the basis of the near-term projections. While this comprehensive plan is crafted for a 20-year planning horizon, the dynamics of the marketplace defy prediction beyond a time frame of approximately five years.

This by no means invalidates the comprehensive plan, but it may mean that the community should revisit its plan periodically to make sure that market dynamics and the needs anticipated by the comprehensive plan have remained relevant and reasonably reflect the future needs of the community.

Before moving on, the methodologies of the demographic and market analyses need to be outlined. Every analysis begins with secondary data from several public and proprietary sources. This data is compiled and reviewed for disparities. Secondary proprietary demographic data also includes current year estimates and five-year projections for all key demographic variables. If data from other sources indicates the need to adjust data from the proprietary source, then these adjustments are made to all demographic data that can be reasonably adjusted. Other demographic data cannot be reasonably adjusted. In these cases the data is utilized “as is” with a caveat that field research and/or more reliable data indicates a disparity that cannot be resolved. Data that cannot be adjusted is



Harrison County rolling landscape



Harrison County, Indiana Comprehensive Plan Update 2008

still useable, but a lower confidence level has to be ascribed to its use in the market analysis. The baseline for public and proprietary data is the decennial census of the U.S. population. A new field measurement of a community's demographics occurs every ten years. Statistical updates, estimates, and projections are made for the intervening period between censuses. Other data from the Department of Housing and Urban Development and the Department of Labor is collected on different time intervals; in some cases monthly or annually. These sources of data frequently serve to refine data that is drawn from the census. This information is correlated with primary field research and any necessary adjustments to the data are made.

While data can be assembled and analyzed, it is the judgment of the analyst that shapes the final observations and conclusions that can be taken from the data. The market analysis begins with a review of the key demographic variables for this analysis of Harrison County, Indiana.

Population and Households

These two fundamental demographics variables were adjusted from data contained in the 2000 census as well as 2007 estimates and projections. The census date is March 31st of each year ending in zero. In 2000, the U.S. Bureau of the Census indicated that there were 12,917 households in Harrison County and the total population of the County was 34,325 persons. For purposes of the 2000 census, data for the fifteen month period prior to the census was imputed. Better technology will likely reduce or eliminate the need for such imputations

in the future, but imputations did influence 2000 census findings for Harrison County. More accurate field data indicates that the population was probably 118 persons less and 45 households less than resolved by the census. This is a minor adjustment, but a correction nonetheless.



Tindall's School No. 3

Proprietary data sources have been optimistic in estimating population and households for 2007 and projected for 2011. Based on other data available from public sources, the estimated 2007 population in Harrison County was 36,967 and households totaled 14,273. The projected population for 2011 for Harrison County is 38,100 and households will total 14,883. The average number of persons per household is trending downward from



Harrison County, Indiana Comprehensive Plan Update 2008

2.63 persons per household in 2000 to a projected 2.56 persons per household in 2011. This suggests that the population of the County is aging overall, since children typically force the average population per household higher.

Both population and household growth at the present time, the end of 2007, and at the end of 2011 are below the estimates and projections of proprietary demographers. Much of this disparity is directly attributable to the current mortgage crisis and the negative effects this crisis has had on existing home sales and new home construction. The after effects of this crisis are expected to linger for awhile; therefore, projections for development in Harrison County in the near future are tempered by the time it will take to resolve issues in the mortgage markets to enable the flow of



New Middletown

funds for mortgage loans to regain some of its momentum. It is unlikely that housing markets will be as dynamic as they have been in the past five years. This translates into projections for slower development in urbanizing counties like Harrison County. Anticipated population and household growth in Harrison County between 2000 and 2010 is likely to be slower than the pace of development between 1990 and 2000. Beyond 2010, development may be on a more constant pace relative to the current market; unless or until, urbanization has consumed most of the developable land in the I-64 corridor between Harrison County and Louisville.

Household Income and Consumer Expenditures

Harrison County is a part of the Louisville, Kentucky metropolitan area. As a result of the County's proximity to Louisville and dependency for employment, the household income statistics for Harrison County closely mirror the income demographics for Louisville.

In general, the County's income statistics are mixed with regard to the Louisville MSA, the State of Indiana, and the U. S. The income relationships between Harrison County and the Louisville MSA are very close with County median household income above the Louisville MSA and average household income and per capita income for the County below the MSA. The differences between median household income and average household income suggest that the County may be somewhat better off than the MSA in general, but the County does not have as many high income households as the MSA.



Harrison County, Indiana Comprehensive Plan Update 2008

The demographics for Harrison County suggest strong workforce participation among households in the County which bolsters the County's household income statistics.

Similar to the context areas of which Harrison County is a part, households appear to have made "real income gains" between 1990 and 2000, but have slightly lagged behind the pace of inflation since 2000. Many employers have reduced or eliminated "cost of living" adjustments in their payroll plans, while others have imposed very low caps on "cost of living" increases. These cost containment measures by employers have tended to result in household incomes trailing the underlying rate of inflation in the nation. Current inflationary pressures may force employers to reinstitute "cost of living" adjustments, but there are no indications this will occur soon.

The rural character of Harrison County would typically contribute to a substantial disparity between household incomes in the rural environment versus household incomes in an urban environment. The close proximity of Louisville as a source of employment and a substantial industrial base of employment in the County, at least in part attributable to the County's proximity to Louisville, both appear to have contributed to a rather close alignment of household incomes between Harrison County and the Louisville MSA.



Leora Brown School

As a function of the close proximity of Harrison County to the Louisville MSA, household expenditures and consumer expenditures are almost identical between the County and the MSA. Household expenditures and consumer expenditures are also virtually the same between Harrison County and the State of Indiana. The County, the MSA, and the State of Indiana all lag somewhat behind the U.S. in household expenditures and consumer expenditures.

There is an equally close correlation between the amounts spent on various categories of typical household expenditures among the County, the MSA, and the State. It should be noted that the data was compiled before the current surge in gasoline prices. It was noted elsewhere in the demographics for the County that Harrison County residents travel almost fifty percent further to work, by drive-time measurement, than residents of the MSA. This disparity in travel times would be expected to manifest itself in a larger amount of household expenditures going to gas and oil than the context market area.



This type of disparity could dampen other categories of consumer spending among Harrison County households in the near future. The important observation from the household and consumer expenditure data is that resident households in Harrison County have almost identical buying habits and spending capacity as the metropolitan area in the aggregate. Consumer expenditures at County merchants versus overall consumer expenditures provide an indication of how much resident, retail spending is escaping the County.

The Resident Workforce and Countywide Employment

The County's resident households are strong workforce participants. In 2000, there were 18,368 Harrison County residents in the workforce out of a total population of 34,325. This workforce participation rate equates to an average of 1.42 workers per household. Assuming this workforce participation rate holds constant over time, the resident workforce should total 20,296 today and approximately 21,164 workers by the end of 2011.

There are approximately 10,000 jobs in Harrison County today. Different sources of employment data vary somewhat in the categories of employment included in their data so a range from approximately 9,500 workers to approximately 10,500 workers sets the parameters for measuring jobs in Harrison County. In general terms, approximately 50% of Harrison County residents in the workforce could find jobs in Harrison County if they so desired. Of course, this is a simplified representation of what actually takes place in the local market, because not all of the jobs in the County are occupied by County residents. Nonetheless, Harrison County is very dependent on sources of employment outside of the County to keep resident members of the workforce gainfully employed.

Location quotients for major categories of Harrison County employment suggest significant concentrations of employment in "manufacturing" and "retail trade". The manufacturing base in Harrison County is super-adequate relative to the County's size and rural character. Retail employment is a function of retail businesses clustered around the interchange with I-64 at Corydon and a Super Wal-Mart at this interchange.

Manufacturing employment is not atypical with regard to the State of Indiana, but it is a large concentration relative to the Louisville MSA and the U.S. Indiana is a great lakes state that was the home of a large number of heavy industries related to the domestic automobile producers. This base of industry is in decline. Some replacement of jobs has occurred in the State, but it is unlikely that this traditional source of manufacturing will remain strong in the State of Indiana over the long-term. A similar conclusion is likely for Harrison County. A large-scale automotive component plant sits idle at this time. Finding a new owner/tenant is important for the County in the near-term.



Harrison County, Indiana Comprehensive Plan Update 2008

The demographics also say a lot about Harrison County. First, Harrison County has the second highest home ownership rate of all counties in the State of Indiana. In essence, Harrison County is a “home owners’ community”. The large percentage of resident workers who travel outside of Harrison County for employment says that households move to Harrison County for the lifestyle it offers, not for jobs. The County’s location allows residents to experience the best of a rural lifestyle yet have urban employment opportunities and amenities if they want to use them.

A lack of post-secondary educational alternatives was noted in the research that points to an opportunity to attract an institution of higher learning to Harrison County. Such an institution could serve to provide multiple benefits for the County. First, it would provide a new employer to serve a large geographic market in southern Indiana. Second, it could provide opportunities for young people in the County to remain “at home” and attend a college or university. Third, an institution could provide a source of workforce development and training programs. This is a twofold benefit for the County. Existing workers can train or retrain for jobs in the local area and Harrison County can market this training capability as a reason to select Harrison County as a location for business or industry. Finally, an indirect outcome of growing the local business and industry base could be to afford local young people opportunities to for employment close to their family homes rather than having to leave the area.

The observations and conclusions drawn from the demographic data and other sources, suggest that Harrison County will continue to grow at a measured pace for the next few years. As the Louisville MSA grows, Harrison County can expect to see increased development pressures over the intermediate to long-term. It will be up to the County to decide whether it wants to be as dependent on the Louisville MSA to provide places of employment for its residents or become more self-sufficient. Similarly, Harrison County will have to decide whether it wants to grow the concentration of retail businesses at the interchange with I-64 at Corydon or let a substantial portion of the County’s indigenous retail potential escape the County. Ultimately, the dilemma becomes one of attempting to retain the rural flavor of the County as it exists today or permit more urbanization that allows the County to be more



Harrison County Visitor Center



freestanding in the future. Of course, there is nothing to prevent the County from doing both; preserving the rural environment and allow urban development in specific areas of the County that are already urbanizing. If Harrison County decides to attempt to balance rural character with continued urbanization, future development will likely lead to more intense urbanization in the vicinity of Corydon and/or along the I-64 corridor through the County.

The Housing Market in Harrison County

Harrison County is a homeowners' community. The housing inventory is indicative of this statement. Although there is a rental housing market much of this market is in nontraditional housing; single-family homes and mobile homes.

Recent experience suggests that the Harrison County housing market will be affected in the same way the national housing market is being affected by the fluctuations in the mortgage credit markets. It is likely that there will be a short-run imbalance between homes offered for sale and qualified buyers. This imbalance is likely to persist and new home construction is likely to be depressed through 2008 and possibly 2009. It is likely that by 2010 some vitality will return to the housing markets, albeit at a reduced pace from that witnessed in recent years.

Based on an analysis of the Harrison County housing market, the following observations and recommendations are offered:

- Harrison County is likely to remain a homeowners' community with additions of new single-family homes ranging between 100 units per year and 200 units per year between 2008 and 2011.
- A total of slightly more than 600 new single-family homes is projected to enter the housing inventory in Harrison County between the end of 2007 and the end of 2011. It would be far better for the County to focus on the development of new homes in platted subdivisions versus low-density housing development in the rural areas of the County.
- No development should be encouraged if full public utilities are not available.

In analyzing the population of Harrison County, it appears that there would be a market for more "attached dwelling" products than are currently available, in communities offering extended services to senior citizens. These products could be for sale (condominiums) or for rent (apartments). Ease of access and convenience to healthcare services should be factors in the design and location(s) of these projects. This makes sites



Harrison County, Indiana Comprehensive Plan Update 2008

in close proximity to Corydon more likely with proximity to the new hospital, or reuse of the old hospital building or campus an additional possibility.

The income characteristics of the County suggest that housing products should be in the low to moderate range of new home prices. Since many residents of the County work elsewhere and fuel prices are likely to increase over the short-term as well as the long-term, commuting costs will cut into the budgets of every household. It is likely that the overall market will be more attracted to homes in the low to moderate price ranges of the marketplace in the future as a result of these costs and other economic factors.



Harrison County subdivision

While it is too early to label recent housing market activity as a trend, there is some indication that the average sizes of new homes may have peaked and may actually be declining. This is not inconsistent with the demographics of households in which aging “baby boomers” who are now “empty nesters” are gravitating to smaller, more carefree homes.

The rental housing market in Harrison County is essentially non-traditional. The majority of housing units in the rental inventory are freestanding single-family homes or mobile homes. The addition of new units to the rental inventory in recent years is negligible. Demand for rental housing in the local market is evident. It appears that there would be a market for more rental units in multi-family projects than currently exist. Once again, multi-family projects are more likely to be located in, or near, Corydon.

Finally, mobile homes are a significant segment of the housing inventory in Harrison County. These mobile homes may be located in mobile home parks or may be in more rural settings as a substitute for a traditional single-family home. As communities urbanize, mobile homes typically become a topic of conflict. The County may want to be proactive in setting development standards today that limit the location of mobile homes under conventional zoning in the County. In other communities, a requirement of full public utilities, density no greater than would be permitted for apartment communities, and internal streets improved to conventional public standards (curbs, gutters, sidewalks, etc.) are required. Existing parks may eventually be redeveloped for more intense, commercial land uses. If existing mobile home parks do not have full public utilities, the private utilities should be continuously monitored to ensure that there is no



environmental hazard or public health hazard that may affect residents of the public at large.

The Industrial and Office Markets in Harrison County

Harrison County appears to be well positioned for industrial development with a supply of existing, modern, functional buildings and several “shovel ready” sites for new construction. Conversely, Harrison County does not appear to have much of a competitive market supply of existing office or service business buildings to address any potential market demand that comes its way.



Harrison County Industrial Park

Harrison County will never retain all of the indigenous demand its residents generate for services, but the trade off between residents going elsewhere for services and the influx of non-residents to well located businesses in Harrison County will hopefully balance, or be skewed in favor of Harrison County based businesses in the future. In essence, more independence rather than dependence on goods, services and employment opportunities located outside of the County. This would be a long-term goal that the County appears to want. It appears that County residents want development, but this cannot compromise the rural character of the County. Concentrating urban development, probably on existing “shovel ready” sites or on additional sites in close proximity could serve to accomplish both goals of Harrison County residents. This favorable balance is dependent on recruiting the “right” businesses and industries to the “right” locations in the County. Much of this direction will be to new improvements on existing or newly developed sites. Managing the development process will be crucial to the outcome for the County.

Based on current market conditions and what appear to be possible future market opportunities, the County may wish to position itself to address market opportunities when presented through cooperative relationships with property owners who understand and embrace the desires of the County to enhance employment opportunities while not just yielding to development pressure to build any project that comes along anywhere a developer wants to locate a project. This approach to development of all types will be necessary in order for Harrison County to retain as much of the current “rural feel” of the community as possible while it continues to grow and evolve.



The Retail Market in Harrison County

The retail market in Harrison County captures a little more than half of the indigenous market demand generated by resident households. The primary problem with improving the percentage of market demand captured by existing, or new, Harrison County retail businesses is “critical mass”. County residents are scattered over 485 square miles of land area. Other out-of-county retail destinations may be more convenient to many Harrison County households than traveling to the vicinity of Corydon where most modern retail businesses are located.

There are two categories of retail businesses that appear to be bringing dollars into Harrison County; these are convenience stores (self-serve gas stations) and general merchandise stores (Wal-Mart). The convenience stores are clustered around the interchange with I-64 at Corydon and these merchants generate a large amount of revenue from highway travelers. Wal-Mart appears to be bringing dollars into the County, again utilizing the I-64 proximity to reach more distant consumers. In both categories of businesses it appears that the magnitude of their market influence is driven by their proximity to I-64.

Wal-Mart stores form the hub of retail nodes in many rural markets. The concentration of retailers around the local Wal-Mart can exceed the ability of the local market to support all of the stores in the retail node. While this concentration of retailers brings consumers and money into the local market, there is a danger in these retail business concentrations. If the primary retailer closes or moves to serve a dynamic market, the “retail gravity” of the merchant cluster can be lost. The retail venues can experience high percentages of vacancy and ultimately languish in the marketplace. It is far beyond the capacity of many small communities to address the land use redevelopment issues that this type of scenario presents. In essence, a word of caution is offered to Harrison County in attracting or promoting more intense retail development in the County; there is a delicate balance of supply and demand to maintain.



Local retail in downtown Corydon